GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:5
ANSWERED ON:18.07.2016
Blending of Ethanol
Shetti Shri Raju alias Devappa Anna;Tripathi Shri Sharad

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the mechanism and norms/criteria laid down by the Government to implement ethanol blending programme in the country;
(b) the progress made by each Oil Marketing Company, company-wise to adhere to the norms prescribed for the purpose;
(c) whether the Government proposes to increase the ratio of blending of ethanol in petrol in the near future and if so, the details thereof;
(d) whether consultations have been held with various stakeholders in this regard and if so, the details thereof along with the response thereto and the follow-up action taken by the Government thereon; and
(e) the foreign exchange likely to be saved as a result thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE)
(SHRI DHARMENDRA PRADHAN)
(a) to (e) : A statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 5 TO BE ANSWERED ON 18.07.2016 REGARDING BLENDING OF ETHANOL BY SHRI SHARAD TRIPATHI AND SHRI RAJU SHETTY
(a) & (b) : In India, the Government has permitted Oil Marketing Companies (OMCs) to sell Ethanol Blended Petrol (EBP) with percentage of ethanol up to 10% as per BIS Specification to achieve 5% ethanol blending across the country as a whole. Further in July 2013, the Government decided that OMCs will procure ethanol only from domestic sources (produced from molasses route only) to achieve the mandatory requirement of 5% ethanol blending in areas/parts of the country where sufficient quantity of ethanol is available. In other parts of the country, blending of ethanol may be increased progressively depending upon the availability of ethanol to reach the 5% mandatory level.
In order to improve the availability of ethanol, the Government on 10.12.2014 has, inter-alia, decided to fix the delivered price of ethanol in the range of Rs.48.50 per litre to 49.50 per litre. Further, ethanol produced from other non-food feedstocks besides molasses, like cellulosic and ligno cellulosic materials including petrochemical route, has also been allowed to be procured subject to meeting the relevant BIS Standards.
Accordingly, OMCs are implementing Ethanol Blended Petrol (EBP) Programme in notified States and Union Territories as per availability of ethanol. Details regarding ethanol supplied to OMCs during the last three sugar years is as under :
Quantity blended in crore litres
Sugar Year
IOCL
BPCL
HPCL
Total
%age of blending achieved
2012-13
6.0
4.5
4.9
15.4
0.67
2013-14
17.4
9.3
11.3
38.0
1.53
2014-15
31.1
15.4
20.9
67.4
2.33
During the current sugar year, a quantity of 129.75 crore litres of ethanol has been contracted by OMCs.
(c) : In September, 2015, Ministry of Petroleum and Natural Gas has asked OMCs to target ten per cent blending of ethanol in petrol in as many States as possible.
(d) : The Government has been holding regular consultations with relevant stakeholders like OMCs, Indian Sugar Mills Association

(ISMA), State
Governments and Union Ministries to take forward the EBP Programme. Following steps have been taken in this direction :
(i) A Steering Committee has been constituted in Ministry of Petroleum and Natural Gas for regular consultations and monitoring.
(ii) Ministry of Petroleum and Natural Gas has been regularly taking up the matter with State Governments to address State specific issues relating to taxation, excise permits, import/export permits, storage license, etc.
(iii) Nodal Officers from OMC's have also been appointed for different States for coordination among OMCs, Sugar Mills and other stakeholders for effective implementation of EBP programme.
(e) : Ethanol blending in Petrol results in saving of Petrol to the extent of its blending and consequent foreign exchange. The potential foreign exchange savings for the Sugar Year 2014-15 amount to around USD 285 Million.
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